

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
FEBRUARY 21, 2005**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, February 21, 2005.

The meeting was called to order by Chairman Greg A. Krodel who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Greg A. Krodel – Chairman
Mike Harder – Vice Chairman
Ken Sendelweck – Secretary
Jeffrey S. Theising – Water Commissioner
Edward J. Kreilein – Wastewater Commissioner
Alex Emmons – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Mike Gadlage – Electric Generation
Thomas A. Lents – Wastewater Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Michael A. Schwenk – Electric Commissioner
Windell Toby – Electric Generation Manager

PLEDGE OF ALLEGIANCE (A-22)

Chairman Greg Krodel led the Pledge of Allegiance.

BID OPENING: ASBESTOS REMOVAL – ELECTRIC GENERATION (A-31)

City Attorney Sandy Hemmerlein stated the project was advertised in the Herald on January 28, 2005 and on February 4, 2005.

Hemmerlein opened the bids and read them aloud as follows:

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| 1. | In Corp
Evansville, IN | \$54,402.00 |
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A non-collusion affidavit was included.

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| 2. | Specialty Systems
Indianapolis, IN | \$112,850.00 |
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A non-collusion affidavit was included.

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| 3. | Elite Environmental Services, Inc.
Evansville, IN | \$33,751.00 |
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A non-collusion affidavit was included.

Sandy Hemmerlein recommended deferring the asbestos removal bids to the end of the meeting to give Mike Gadlage time to review the bids. Hemmerlein said the work is to be done while the Power Plant is shut down for scheduled maintenance in April, and they would like approval to proceed tonight if possible.

QUOTE OPENING: BOILER TUBE WELDING – ELECTRIC GENERATION (A-78)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Sterling Boiler & Mechanical, Inc.
Evansville, IN | \$50,000.00
-12,000.00 if Jasper provides hole watch |
| 2. | The State Group Industrial Limited
Evansville, IN | \$61,006.00 |
| 3. | Precision Piping & Mechanical, Inc.
Evansville, IN | \$36,355.00 |
| 4. | Kennedy Tank & Manufacturing Co.
Indianapolis, IN | \$36,797.00 |

Sandy Hemmerlein recommended deferring the boiler tube welding quotes to the end of the meeting so Mike Gadlage can review the quotes. This is also a project that will be done while the Power Plant is shut down in April for scheduled maintenance.

QUOTE OPENING: RADIO LOCATOR – ELECTRIC DISTRIBUTION (A-138)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | C & S Solutions, Inc.
Cincinnati, OH | \$4,648.50 |
| 2. | Radio Detection
Bridgeton, ME | \$5,435.00 |

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| 3. | Mid American Technology
Napierville, IL | \$5,485.00 |
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Ken Sendelweck made a motion for Jerry Schitter to take the quotes under advisement and report back at the next meeting. Ed Kreilein seconded the motion. Motion approved, 6-0.

QUOTE OPENING: TRENCHER W/BACKHOE & TRAILER – ELECTRIC DIST. (A-199)

Sandy Hemmerlein stated there would be two separate quotes, one for the trencher and one for the trailer.

Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Hopf Equipment
Huntingburg, IN | \$48,527.00 Trencher w/backhoe |
| 2. | Vermeer of Indiana
Fishers, IN | \$45,350.00 Trencher w/backhoe |
| 3. | Vermeer of Indiana
Newburgh, IN | \$44,976.00 Trencher w/backhoe |
| 4. | Ditch Witch of KY
Shepardsville, KY | \$38,100.00 Trencher w/backhoe |

Ed Kreilein made a motion for Jerry Schitter to take the quotes under advisement and report back at the next meeting. Alex Emmons seconded the motion. Motion approved, 6-0.

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| 1. | Meyer Truck Equipment
Jasper, IN | \$3,050.00 Trailer |
| 2. | MK, Inc.
Huntingburg, IN | \$3,756.25 Trailer |
| 3. | Vermeer of Indiana
Newburgh, IN | \$4,975.00 Trailer |

Mike Harder made a motion for Jerry Schitter to take the quotes under advisement and report back at the next meeting. Jeff Theising seconded the motion. Motion approved, 6-0.

QUOTE OPENING: 36TH ST. TRENCHLESS SEWER LINE INSTALLATION (A-267)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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| 1. | Subsurface of Indiana
Morgantown, IN | \$23,200.00 Proposal #1
\$ 8,460.00 Proposal #2 |
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2.	Robinson Trenching & Boring Indianapolis, IN	\$19,900.00 Proposal #1 \$ 7,080.00 Proposal #2
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Alex Emmons made a motion for Tom Lents to take the quotes under advisement and report back at the next meeting. Ed Kreilein seconded the motion. Motion approved, 6-0.

QUOTE OPENING: GENERATOR FOR 400 WEST LIFT STATION (A-300)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1.	E & K Electric Jasper, IN	\$22,077.00
2.	Evapar Evansville, IN	\$17,200.00
3.	Whayne Supply Co. Evansville, IN	\$16,813.00
4.	Cummins Cumberland, Inc. Evansville, IN	\$16,867.00
5.	Hydraserve, Inc. Evansville, IN	\$24,500.00

Ken Sendelweck made a motion for Tom Lents to take the quotes under advisement and report back at the next meeting. Jeff Theising seconded the motion. Motion approved, 6-0.

APPROVAL OF MINUTES (A-339)

Chairman Greg Krodel presented the minutes of the January 17, 2005 meeting and there being no corrections or amendments, asked for a motion to approve. Mike Harder made a motion to approve the minutes of the January meeting as presented. Ed Kreilein seconded the motion. Motion approved, 6-0.

PUBLIC BUSINESS: REQUEST FOR CITY SEWER EXTENSION (A-353)

Ken Brosmer, representing Henry Herzog, came before the Board to request an extension of the City sewer to two lots on Whoderville Road, platted as Henry Herzog 1st Addition, about ½ mile outside of the City limits.

Brosmer said Tom Lents and City Engineer Chad Hurm have reviewed the request.

Brosmer said Mr. Herzog is aware he is required to sign an annexation waiver and the extension would be at his expense.

Sandy Hemmerlein stated that these two lots were previously figured into the Easttown/Whoderville sewer project and the property owners would be required to pay the debt service when the houses are built.

Tom Lents stated that all of the empty lots that faced the roads, in which sewer mains were already in place, were figured into the original engineering of the sewer project.

Mike Harder made a motion to approve the request for the City sewer extension as requested, subject to the signing of the annexation waiver. Jeff Theising seconded the motion. Motion approved, 6-0.

RESULTS OF 12,000 LB. LIFT QUOTE OPENING (A-498)

Jerry Schitter reported that after reviewing the quotes opened at the January meeting, the low quote was from WOC Maintenance Co. for \$6,591.55. The quote met all of the specifications.

Schitter recommended proceeding with the low quote from WOC Maintenance Co.

Ken Sendelweck made a motion to accept the low quote from WOC Maintenance Co. for \$6,591.55. Alex Emmons seconded the motion. Motion approved, 6-0.

RESULTS OF GARAGE ROOF REPLACEMENT QUOTE OPENING (A-512)

Jerry Schitter reported that after reviewing the quotes opened at the January meeting, the low quote was from Hedinger Roofing for \$15,260.00.

Schitter stated that approval to proceed with the low quote was already given at the January meeting.

WIRE STORAGE BUILDING – ELECTRIC DISTRIBUTION (A-521)

Jerry Schitter stated that in the 3rd quarter he plans on building a place for wire storage on the site of the former Water Filtration Plant. Schitter discovered from City Engineer Chad Hurm and from Building Commissioner Dave Seger that the area is zoned R4.

Schitter asked for approval to pursue a variance to allow this warehouse facility to be in an R4 district and to pursue a variance for setbacks as required.

Schitter presented a map to further explain the situation. He explained that this is in preparation of seeking bids for the project and the design phase of the building.

Sandy Hemmerlein explained these requests will go before the Board of Zoning Appeals, but it would be petitioned as the City of Jasper through the Utility Service Board.

Ed Kreilein made a motion to allow Jerry Schitter to pursue the variance and draft the necessary paperwork to place this building in an area zoned R4, and to pursue the variance for setbacks as required. Jeff Theising seconded the motion. Motion approved, 6-0.

APPROVAL TO SEEK BIDS FOR COAL SUPPLY – ELECTRIC GENERATION (A-583)

Mike Gadlage asked for approval to seek bids for the coal supply at the Power Plant. Gadlage said the request is the result of a letter from the current supplier, PNR Sales, stating a modification in price for the next contract term.

Sandy Hemmerlein stated that PNR Sales has the opportunity to modify the price every 3 years according to the contract, but the letter does not indicate what the modified price would be. Hemmerlein said she would send a letter to PNR Sales asking for the modified price by April 1st, and then if the modified price is rejected, we could go out for bids. If any of those bids were better, PNR Sales would be contacted and given the opportunity to match the price.

Ken Sendelweck made a motion to give approval to Sandy Hemmerlein, Windell Toby, and Mike Gadlage to proceed, at their discretion, with getting quotes. Alex Emmons seconded the motion. Motion approved, 6-0.

ASBESTOS REMOVAL BID RESULTS (A-674)

Mike Gadlage stated that after reviewing the asbestos removal bids, the low bid was from Elite Environmental Services, Inc. for \$33,751.00.

Gadlage recommended awarding the contract to Elite Environmental.

Ed Kreilein made a motion to award the asbestos removal contract to Elite Environmental for \$33,751.00. Mike Harder seconded the motion. Motion approved, 6-0.

BOILER TUBE WELDING QUOTE RESULTS (A-684)

Mike Gadlage stated that after reviewing the boiler tube quotes, the low quote was from Precision Piping & Mechanical, Inc. for \$36,355.00.

Gadlage recommended proceeding with the low quote from Precision Piping & Mechanical, Inc.

Jeff Theising made a motion to award the boiler tube welding contract to Precision Piping & Mechanical, Inc. for \$36,355.00. Ed Kreilein seconded the motion. Motion approved, 6-0.

ELECTRIC PLANNING COMMITTEE REPORT (A-702)

Jerry Schitter reported that the Electric Planning Committee did not meet during the past month.

REVIEW & AWARD WATER TOWER BID (A-704)

David Dahl of Midwestern Engineers came before the Board to review the bids for the water tower project opened at last month's meeting.

He stated there was a mathematical error in the bid from Currens Co., which increased their bid to \$295,930.00.

The bids from TMI Coatings and George Kountoupes Painting did not include financial statements.

Mr. Dahl stated the low bid was from Diversified Coatings for \$232,650.00, with an alternate bid of \$14,000.00, for a total bid of \$246,650.00. Included in this bid was \$1,000 for regrading, etc., which was considerably lower than other bids. Diversified Coatings was contacted about the \$1,000 bid and they said the bid was valid and they would stand behind it.

Mr. Dahl said that Midwestern Engineers recommended awarding the contract to Diversified Coatings of O'Fallon, IL for a total bid of \$246,650.00.

Jeff Theising made a motion to award the contract to Diversified Coatings, Inc. of O'Fallon, IL in the amount of \$246,650.00. Alex Emmons seconded the motion. Motion approved, 6-0.

STATE CONTRACT FOR REIMBURSEMENT TO MOVE GAS LINES (B-1)

Mike Oeding informed the Board that the State is going to reimburse the Gas Utility for moving a portion of the gas lines along State Road 56 and Lechner Lane that were on private easements.

Oeding estimates the cost to be approximately \$20,000.00 to move the gas lines out of the State's right-of-way, and the agreement for reimbursement is for an amount not to exceed \$10,851.37.

Ken Sendelweck made a motion to sign the contract for reimbursement from the State for moving gas lines. Mike Harder seconded the motion. Motion approved, 6-0.

UPDATE – S.R. 56 PROJECT (B-56)

Mike Oeding gave a brief update on the S. R. 56 meter pit relocation project. The hole is dug for the meter pit, rebar is in place, and the concrete is poured. The unit will be put in place, and the line connections and power connections will be made on Wednesday, weather permitting.

UPDATE – GAS PRICES (B-68)

Mike Oeding reported that gas prices were better than anticipated this winter, mostly due to good weather and high storage levels.

Oeding said in December the price for gas was \$7.74 per DTH, in January the price was \$6.04 per DTH, and in February the price was \$6.12 per DTH.

NEW SECURITY CAMERA FROM HARMONIC ELECTRONICS (B-103)

Mike Oeding reported that the security camera on his 2005 Capital Expenditure Plan is going to cost approximately \$1,500 more than was anticipated. Oeding said Harmonic Electronics will need to run a CAT 5 cable, which will increase the cost to \$4,980.00.

Oeding said he only obtained one quote because he is adding to the existing system, which is from Harmonic Electronics.

Jeff Theising asked Oeding if this would qualify for a Homeland Security grant. Oeding said he would do some checking.

Chairman Krodell asked Oeding to do some checking and if other alternatives are found, the amount should be lowered.

Ed Kreilein made a motion to approve the quote from Harmonic Electronics in the amount of \$4,980.00. Mike Harder seconded the motion. Motion approved, 6-0.

APPROVAL TO BEGIN HIRING PROCESS TO REPLACE RETIRING EMPLOYEE (B-219)

Mike Oeding informed the Board that Denny Mehringer would be retiring in September and asked for approval to begin the hiring process to replace him.

Oeding said he anticipates moving several employees up through the ranks, and ending up hiring for an entry-level position.

Alex Emmons made a motion to allow Mike Oeding to proceed with the hiring process. Jeff Theising seconded the motion. Motion approved, 6-0.

BEAVER LAKE VALVE (B-286)

Mike Oeding reported that they plan on closing the Beaver Lake valve on Thursday or Friday of this week, and anyone that needs to do any work on the lake should get it done.

GAS PLANNING COMMITTEE REPORT (B-300)

Alex Emmons reported that the Gas Planning Committee did not meet this past month, but a meeting has been scheduled for February 23, 2005 at 1 PM.

Mike Oeding stated they would discuss gas hedging and gas line extensions.

WATER PLANNING COMMITTEE REPORT (B-309)

Jeff Theising reported that the Water Planning Committee did not meet this past month.

REQUEST APPROVAL TO DISPOSE OF OLD EQUIPMENT (B-311)

Tom Lents asked for Board approval to dispose of some old equipment.

1. 5 sets of SCBA gear – Lents stated that Fire Chief Kenny Hochgesang believed that they are obsolete and useless.
2. Atomic absorption unit – has not been used for 5 years.
3. A 1 Ton emergency repair kit – Lents said he would like to donate it to the Hazardous Material team in the County.

Alex Emmons made a motion to allow Tom Lents to dispose of the old equipment as presented. Jeff Theising seconded the motion. Motion approved, 6-0.

WASTEWATER PLANNING COMMITTEE REPORT (B-382)

Ed Kreilein reported that the Wastewater Planning Committee did not meet this past month.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (B-387)

Ken Sendelweck reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Ed Kreilein made a motion to approve the claims as presented. Jeff Theising seconded the motion. Motion approved, 6-0.

There being no further business to come before the Board, the meeting was adjourned at 8:28 PM upon motion by Alex Emmons and second by Ed Kreilein. Motion approved, 6-0.

Attest: _____
Secretary Chairman